



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 04-34, Philadelphia, Pennsylvania, City Income Tax Withholding

Date: December 22, 2004

To: Holders of TAXES (State of Pennsylvania only)
Personnel User Groups
T&A Contact Points in Pennsylvania

Beginning with wages paid for Pay Period 25, the National Finance Center (NFC) will change the Philadelphia, Pennsylvania, city income tax withholdings. The withholding rate for the city of Philadelphia, Pennsylvania, will decrease from 4.4625 percent to 4.3310 percent for residents and from 3.8801 percent to 3.8197 percent for nonresidents.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to the NFC Home Page (www.nfc.usda.gov) and click **Pubs & Forms**. Then on the Pubs & Forms page left-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by “ ►”.

For questions about NFC processing, contact the Payroll Operations Branch at **504-255-4630** . Please refer questions about system access and other system-related issues to Customer Support at **504-255-5230** or via e-mail at customer.support@usda.gov.

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Pennsylvania Cities Income Tax Information

Withholding Formula ►(Effective Pay Period 25, 2004)◄

1. Subtract nontaxable Federal Health Benefits Plan payments from the gross biweekly wages.
2. Multiply the adjusted gross biweekly wages by 26 to obtain the annual wages.
3. Apply the annual wages to the following guideline to determine the annual Pennsylvania city income tax withholdings.

Compute the City Income Tax Withholding For:

By Multiplying the Gross Annual Wages By:

	State/City Codes	Resident Percentage	Nonresident Percentage	City Tax Status (Duty Station=DS Residence=R)
Bethlehem	42/0660	1.0000	1.0000	DS, R
Bradford (<i>voluntary</i>)	42/0840	1.0000	1.0000	
Caln	42/1044	1.0000	1.0000	DS, R
Camp Hill (<i>voluntary</i>)	42/1060	1.0000	1.0000	
Carlisle/North Middleton	42/1100	1.0000	1.0000	DS, R
Erie	42/2640	1.1500	1.1500	DS, R
Fairview Township	42/2769	1.0000	1.0000	DS, R
Gregg Township	42/3396	1.0000	1.0000	DS, R
Hanover Township	42/3470	1.0000	1.0000	DS, R
Harrisburg	42/3500	1.0000	1.0000	DS, R
Horsham	42/3740	0.5000	0.5000	DS, R
Kelly Township	42/4053	1.0000	1.0000	DS, R
Lancaster	42/4180	1.0000	0.5000	DS, R
Philadelphia	42/6540	►4.3310	3.8197◄	DS, R
Pittsburgh	42/6600	1.0000	1.0000	DS, R
Plains Township	42/6615	0.5000	0.5000	DS, R
Reading	42/6900	1.0000	1.0000	DS, R
Scranton	42/7460	2.5000	1.0000	DS, R
South Lebanon	42/7894	1.0000	1.0000	DS, R
Susquehanna	42/8280	1.0000	1.0000	DS, R
Township of Greene	42/3342	1.0000	1.0000	DS, R
Warminster Township	42/8845	1.0000	1.0000	DS, R
Wilkes-Barre	42/9340	2.3500	1.0000	DS, R
York	42/9610	1.0000	1.0000	DS, R

Note: City tax is mandatory unless otherwise indicated.

4. Divide the annual Pennsylvania city income tax withholding by 26 to obtain the biweekly Pennsylvania city income tax withholding.